

Chairman Deborah A.P. Hersman
Closing Statement
Pipeline Accident Report –
San Bruno, California, September 9, 2010
Washington, DC — August 30, 2011

(As Prepared for Delivery)

I want to thank my fellow Board members for their participation today.

In closing, I'd like to recognize the outstanding efforts of the NTSB staff members who completed the accident investigation within one year and developed this thorough and excellent report; in particular, the staff from the Office of Railroad, Pipeline, and Hazardous Materials Investigations and from the Office of Research and Engineering. Ravi Chhatre, the Investigator-in-Charge, and his team did an outstanding job. Their work included a three-day public hearing in March, painstaking research of a half century of records, going through literally thousands of pages of documents to identify key information, and dealing with new information that kept coming in, even within the last few days leading up to today's Board meeting.

The team drafted seven recommendations in January that addressed recordkeeping, safe operating pressures, and testing regimens followed by three additional recommendations in June regarding emergency planning and response.

In the pipeline industry, there must be effective oversight and strong enforcement. With integrity management plans, oversight has shifted away from prescriptive regulation to performance standards. Yet, this approach, where companies effectively say, "These are our standards and we are meeting them," is only as good as the companies' commitment and, yes, their integrity. In too many cases, the regulators didn't really know what was going on. For example, our investigators and the CPUC were not made aware of a 1988 seam failure on Line 132 until eight months after the San Bruno accident.

The tragedies in San Bruno, Rancho Cordova, and San Francisco, with their multiple recurring deficiencies over many years, illustrate systemic problems at PG&E.

Ronald Reagan famously said, "Trust, but verify." For government to do its job — safeguard the public — it cannot trust alone. It must verify through effective oversight. And as we saw in San Bruno, when the approach to safety is lax, the consequences can be deadly.

Recently, we are seeing a flurry of activity on several fronts to make improvements to better ensure pipeline safety. This is good. But the proof will be in the pudding when solid and lasting improvements are made.

This is why we are issuing strongly worded and tough recommendations on removing grandfather clauses, and requiring remote control valves and in-line inspections. It is also why we have asked the Department of Transportation to assess the effectiveness of the Pipeline and Hazardous Materials Safety Administration's oversight program and, in turn, the effectiveness of state programs funded with federal dollars. In essence, verify. And, where trust is not merited, make sure the penalty is high. Because, when there's an accident like the one in San Bruno, it is too late.

We stand adjourned.

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